

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**July 28, 2005**

<b>IN RE:</b>	)	
	)	
<b>PETITION FOR EXPEDITED APPROVAL OF</b>	)	<b>DOCKET NO.</b>
<b>MERGER OF INTERMEDIA INTO MCIMETRO</b>	)	<b>04-00399</b>

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**ORDER APPROVING MERGER AND CANCELLATION  
OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

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This matter came before Chairman Pat Miller, Director Deborah Taylor Tate and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on January 10, 2005 for consideration of the *Petition for Expedited Approval of Merger* ("Petition") filed by MCI, Inc. ("MCI") on behalf of its subsidiaries Intermedia Communications, Inc. ("Intermedia") and MCImetro Access Transmission Services LLC ("MCImetro"). MCI sought approval pursuant to Tenn. Code Ann. § 65-4-112 (2004) for the corporate merger of Intermedia and MCImetro and the cancellation of Intermedia's Certificate of Public Convenience and Necessity ("CCN").

**Background**

In TRA Docket No. 03-00525 MCI<sup>1</sup> requested Authority approval of a series of mergers and transfers of control which were to take place as part of its Bankruptcy Reorganization Plan and its emergence from bankruptcy protection under Chapter 11 of the

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<sup>1</sup> At the time the company was known as WorldCom, Inc. Subsequently, WorldCom, Inc. was reincorporated in Delaware and changed its name to MCI, Inc. pursuant to the Bankruptcy Reorganization Plan

Federal Bankruptcy Code 11 U.S.C. § 1101 *et seq.* The Authority issued an order on December 30, 2003 approving the transactions.<sup>2</sup>

MCI is a global telecommunications company organized and existing under the laws of Delaware with its principal place of business located at 22001 Loudoun County Parkway, Ashburn, Virginia, 20147. While not directly a holder of any CCN issued by the Authority, MCI does provide international and domestic interstate, intrastate and local telecommunications services in all fifty states through its 221 certificated subsidiaries. MCI currently has six (6) subsidiaries certificated in Tennessee.

### **The Petition**

In the *Petition*, which was filed with the TRA on November 8, 2004, MCI requests that the TRA grant it authority to consummate a transaction involving the merger of Intermedia and MCImetro, resulting in Intermedia's assets being transferred to MCImetro. Also, the *Petition* requests cancellation of Intermedia's CCN. According to the *Petition*, MCI will make the necessary filings to cancel Intermedia's tariff after the Authority approves this merger.

The *Petition* asserts that this corporate reorganization will allow MCI to achieve certain operating efficiencies, cost savings and administrative benefits. The *Petition* also states that Intermedia's customers were transferred or migrated to other MCI subsidiaries with Authority approval prior to the filing of this *Petition*. Thus, Intermedia has no customers at this time. Therefore, this transaction will have virtually no customer impact.

The *Petition* states that this transaction will result in a streamlined and more efficient corporate structure that achieves cost savings and eliminates administrative

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<sup>2</sup> See *In re Petition of WorldCom, Inc. for Expedited Approval of Transfer of Customer Base*, TRA Docket No 03-00525, *Order Approving Transactions and Customer Notification Letter* (December 30, 2003)

duplication, including overlapping reports and regulatory filings. Additionally, MCI asserts that the merger will increase competition and, therefore, the public interest, convenience and necessity would be furthered by a grant of the *Petition*.

#### **Statutory and Regulatory Framework**

TRA must pre-approve mergers between public utilities holding CCNs in the State of Tennessee, in accordance with Tenn. Code Ann. § 65-4-112(a) (2004):

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

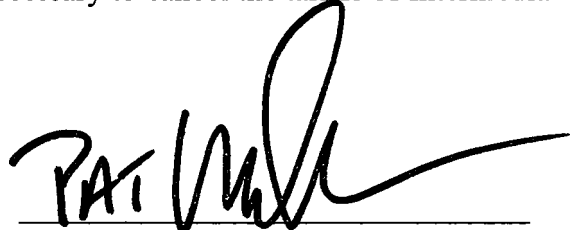
#### **January 10, 2005 Authority Conference**

At the January 10, 2005 Authority Conference, the Directors voted unanimously to approve the *Petition* pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-112 (2004) and the rules of the TRA. The Directors also ordered MCI to make any filings necessary to cancel Intermedia's tariff.

#### **IT IS THEREFORE ORDERED THAT:**

1. The *Petition for Expedited Approval of Merger* filed by MCI Inc., as described herein, is approved.
2. The merger of Intermedia Communications, Inc. into MCImetro Access Transmission Services LLC is approved.
3. The certificate of public convenience and necessity of Intermedia Communications, Inc. is cancelled.

4. MCI, Inc. shall make all filings necessary to cancel the tariffs of Intermedia Communications, Inc.



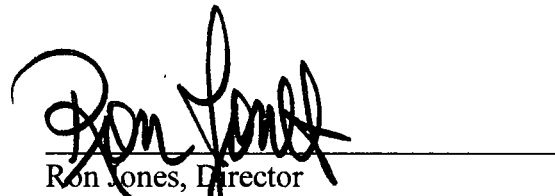
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Pat Miller, Chairman



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Deborah Taylor Tate, Director



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Ron Jones, Director